

Public Employees' Retirement Board Executive Director's Report

February 2012
Roxanne M. Minnehan
Executive Director

The February Board meeting is scheduled for Helena in the Board's conference room at 100 North Park, room 201. The regular board meeting is scheduled for **Thursday, February 9, 2012** beginning at 8:30 am. The Board meeting will reconvene at 2:00 pm and will go into Executive Session for the Executive Director Performance Appraisal. The Audit Committee has a meeting scheduled to begin after the executive session.

I have only scheduled a half an hour for lunch due to the extra agenda items. Please make your lunch selection prior to the Board meeting. Flora will take your order and money (please include a tip for delivery service).

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- A. Informal Consideration – Late Annual Certificate, VFCA, Opportunity VFD – The Opportunity VFD is requesting the Board accept the late filed Certificate for FY 2008. The certificate was filed on April 22, 2011. The supporting training documentation has been reviewed.
- B. Out of State Travel Authorization – The Board must approve all out-of-state travel requests. The following conferences are included in the FY 2012 Board Approved Budget.
 - 1. PRISM Conference, May 6-9, Long Beach, CA. The Public Retirement Information System Management (PRISM) is an organization of retirement system IT managers. It is a great opportunity for our IT staff to meet, network with and acquire information from their counter-parts in other states. This year's theme is all about project management – a timely topic for our MPERativ program. Staff is recommending June Dosier and Dave Swenson attend this conference.
 - 2. GFOA Annual Conference, June 10-12, Chicago, IL. The Government Finance Officers' Association annual conference provides professional development training for government financial management. It provides guidance on the latest strategies, tools and techniques. The fiscal services bureau chief and her assistant have consistently attended. This year we are proposing to send Diann Levandowski. Barbara Quinn attended the P2F2 in October.
- C. 457 Plan Adoption Agreement & Resolution – City of Thompson Falls – Local government entities may choose to participate in the State's Deferred Compensation Plan. Thompson Falls has completed a resolution and adoption agreement to offer the deferred compensation plan to their employees. The effective date is March 1, 2013 or one month after Board approval.

D. 457 Plan/DCRP – The Employee Investment Advisory Council (EIAC) met on January 19, 2012.

1. We have a new appointment for a Local Government representative fulfilling the remaining term vacated by Ron Alles.
2. 457 Plan – Replace Dodge & Cox Balanced Fund with the Vanguard Balanced Index Fund. Dodge & Cox is not meeting the standards set forth in the Board's Investment Policy Statement (IPS). Dodge & Cox has been on probation since September 2010.
3. DCRP – Replace American Funds Growth Fund with Alger Capital Appreciation Z. American Funds Growth Fund of America is not meeting the standards set forth in the Board's IPS. American Funds Growth Fund has been on probation since June 2011.

E. Options for Addressing the UAL

1. Fiduciary Responsibility – A refresher will be presented.
2. Actuary Estimate to Cost Plan Revisions – The cost to provide a study of the impact of the various changes will be available by the Board meeting.
3. Contract Right Issue – I think the Board consensus is to not impair contract rights. I want to ensure that is the Board's intention; therefore, I drafted a Board motion.
4. Conclusion/Direction to Staff – The legislative 2013 session is quickly approaching. We need to know where you would like staff to concentrate their efforts.

F. Set Quarterly Board Meeting Dates – April, May, June – The Board sets its meeting dates a quarter at a time. It is time to set the meeting dates for the second quarter of calendar year 2012. The Board's regular meetings have been held the second Thursday of the month. Consistency is important for members, stakeholders and staff. At its January Meeting, the Board scheduled April 12, 2012 to have a joint ½ day meeting with the Employee Investment Advisory Council (EIAC).

G. iPad Use Policy – All Board members will have an iPad for Open Board Packet information. Dave Swenson will present the “Workstation, Portable Computer and PDA (Personal Digital Assistant) Security” policy and the highlights of how it pertains to the Board and the use of the iPads. You will need to sign and acknowledgement form stating you understand and will comply with the policy.

H. Education – We have two educational sessions this month.

1. iPad Use – Dave Swenson will have iPads ready for the remaining board members. He will provide an overview on how to download Board packet information, annotate and navigate using the iPad.
2. Disclosures/Recusals – Melanie Symons will provide a refresher on when and how to invoke disclosures and recusals during Board topics that may have a real or perceived conflict for Board members.